

# NATIONAL VACCINE ADVISORY COMMITTEE

## Report of the Subcommittee on Vaccine Resources and Financing Needs (Drs. Salderini and Vernon)

Approved By The Full Committee

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### INTRODUCTION

It is now an accepted principle in the United States that every child has the right to be fully immunized and that financial need must not be a barrier to immunization. There is also wide agreement that immunizations should be administered at the site of usual and comprehensive health care although it is recognized that special programs will continue to be necessary for children or adults not receiving comprehensive care.

To achieve these goals, additional steps will have to be taken to ensure the availability of recommended vaccines at affordable prices and at appropriate health care delivery sites. In addition, additional resources must be made available to achieve rapid and widespread dissemination of the many new vaccines soon to become available. It would be unconscionable and poor public policy to restrict these highly cost-effective health procedures to those able to pay for the services.

For a number of years, appropriated funds in the form of grants to the States have been available to purchase approximately half of the childhood vaccines administered in the United States. While the amount of appropriated funds have increased over time, the number of doses of each vaccine purchased with Federal dollars has remained relatively constant. Increased appropriations have generally resulted from the introduction of new vaccines or from other needs related to the immunization program. For example, in Fiscal 1989, an increase of more than \$40 million in budget covered little more than the added vaccine costs resulting from the new excise tax required by the Vaccine Injury Compensation Act.<sup>1</sup>

Notwithstanding the significant investment in Federal purchase of childhood vaccines for distribution without charge in public health clinics and other suitable locations, there remain major problems in immunization of children under two years of age,

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<sup>1/</sup> Although the Fiscal 1990 appropriations have not yet been finalized, it is anticipated that once again the numbers of doses of vaccine provided will remain roughly the same with limited additional funds provided for measles outbreak control and for hepatitis-B vaccine.

particularly in families having incomes below the poverty line and others not adequately served by existing vaccine delivery systems. There is no question but that substantially increased funds will have to be made available in the future for government purchase of a higher percentage of childhood vaccines if we are to realize the full benefits of immunization, the most cost-beneficial procedures available to us in medical practice. Indeed, in principle, the concept of government purchase of all childhood vaccines is an attractive one and is a policy in many other countries today. The implications and mechanisms for instituting such a policy should be explored.

However, until significant increases in appropriated funds are provided, the immunization program will have to concentrate on more effective use of the vaccines currently funded as well as on funding from other sources, both public and private.

#### Options

Generally, five different approaches should be considered for increasing vaccine resources and ensuring the most efficient use of those resources:

##### (1) Improved Targeting of Immunizations

A major focus of immunization efforts must be those with family incomes below the poverty line not adequately served by existing vaccine delivery systems. In order to reach these individuals more effectively, increased resources must be provided and guidelines must be improved to reach these individuals, such as the indigent and the illiterate.

The Public Health Service in cooperation with State and local agencies could also improve the immunization effort in a variety of ways -- by more closely monitoring immunization rates and identifying pockets of underimmunization, by improving access to vaccines in difficult-to-reach areas, and by intensified public education programs directed to populations with low immunization rates. Operational research is required to determine improved and cost-effective means of monitoring immunizations, determining risk groups and delivering immunizations. The Centers for Disease Control has developed recommendations which would represent substantial improvement if adopted.

(2) Coordination with Other Federal Programs

There exist various Federal programs designed to address the needs of infants and children. These programs are not centrally managed and are located in a variety of agencies--the Department of Health and Human Services, the Department of Agriculture and the Department of Education, and possibly others. In view of the low immunization rates found among infants, there must be improved coordination of Federal immunization efforts with these other programs. Proof of immunization should be strongly encouraged, and assessment of immunization status could be mandated under programs like Aid to Families with Dependent Children (AFDC), the Special Supplement Food Program for Women, Infants and Children (WIC), programs of the Handicapped Children's Education Act and for enrollment in preschool and day care centers including Head Start. Guidelines promulgated by the Department of Health and Human Services, the Department of Agriculture, and the Department of Education should require demonstration by States and other fund recipient agencies of mechanisms for the coordination of immunizations by these programs. If such coordination requirements were imposed compassionately with the needs of the infants and children in mind, it would encourage improved immunization among populations not now being currently reached. A comprehensive study should identify other programs as potential candidates for coordination and any anticipated problems with a coordination approach.

(3) Expanded Medicaid Coverage

Several proposals currently pending in Congress, including one supported by the Administration, would expand Medicaid benefits to include immunization for additional low-income children not currently covered by Medicaid. The Medicaid program should cover all mandated childhood vaccinations for individuals in families at or below 200% of the poverty level. This new benefit should not be optional with the States but instead be a required part of the Medicaid program. With this new Medicaid coverage, low-income families could have the ability to obtain immunization from private physicians participating in the Medicaid program rather than solely at public health clinics.

(4) Private Insurance Coverage of Immunizations

The current bias against preventive health coverage by private insurance should be overcome, at least with respect to childhood immunizations. At present, federally qualified health maintenance organizations (HMOs) are required to provide immunizations to enrollees; the same principle should apply to private third-party insurance. Some States already dictate selected elements of coverage for private insurance companies doing business within their borders. At the Federal level, any mandated health insurance requirement or any tax credit for purchase of private health insurance should include immunizations as a benefit necessary for qualification.

(5) Initiatives to Improve Pricing of Vaccines

Initiatives are needed to reduce the price of vaccines and the cost of their administration. Transnational comparative pricing of vaccines will help reveal inappropriate variations in vaccine prices. The Public Health Service should review its negotiating strategies to achieve lower prices. Research on new and improved production methods should be supported in order to achieve less costly as well as improved vaccines. The usually beneficial effects of competition in stabilization of both supply and price should be recognized and promoted. The Government's role in this area requires further study and discussion.